



JOBS THROUGH RECYCLING



**Minnesota Office
of Environmental Assistance**

JTR Grantee Series Minnesota

Prior to the creation of the Recycling and Reuse Business Assistance Center (RBAC), Minnesota had already made a substantial financial commitment to recycling market development. The Minnesota Office of Environmental Assistance (OEA) applied for a Jobs Through Recycling (JTR) grant to build on existing efforts with the goal of developing an RBAC to focus on elements of the waste stream not yet recovered. OEA planned to significantly expand existing market development programs by:

- Targeting industries important to Minnesota's economy through more focused market development efforts.
- Expanding cooperative activities among the state's recycling and market development programs and state and local economic development programs.
- Implementing a program to provide professional assistance (via contract) to developing recycling and reuse manufacturing businesses.

Specifically, OEA targeted efforts on the wood fiber, plastics, and composites (e.g., fiberglass reinforced plastic and wood fiber reinforced thermoplastics) industries in Minnesota—which had the potential to boost the state's use of recycled materials, improve economic competitiveness, and increase the number of jobs in Minnesota.

The RBAC, fully staffed with four professionals and one team leader, began outreach in April 1995. Staff came from different private sector backgrounds, allowing for a new level of diversity in recycling market development expertise.

PROGRAM ACTIVITIES

The RBAC provided assistance to local businesses in five specific areas:

Business Assistance

The RBAC helped companies review business and marketing plans and located technical resources (e.g., small business development offices) to assist the companies in preparing these plans. They also inventoried state and regional

At a Glance

Grant Type: RBAC

Office Awarded:
Office of Environmental
Assistance

Project Partners:
Minnesota Technical Assistance
Program (MnTAP)
Department of Transportation
Department of Trade and
Economic Development

Year Awarded: 1994

Funding:
\$462,375 in EPA funding
\$152,125 in state funding
\$614,500 in total funding

Materials Targeted:
Wood fiber
Plastics
Composites

Contact Information:
Timothy Nolan or
Chris Cloutier
Minnesota Office of
Environmental Assistance
520 Lafayette Road, North,
Second Floor
St. Paul, MN 55155-4100
Phone: 612 215-0259
Fax: 612 215-0246
E-Mail: tim.nolan@moea.state.mn.us



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business assistance organizations and programs, and educated state economic development personnel about the recycling industry. The RBAC assisted nine companies with business management, by reviewing or helping to develop strategic plans and by conducting research on tax laws, zoning requirements, and other related issues.

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Technical Assistance

RBAC staff provided technical assistance to businesses and other agencies to identify and remove barriers to the use of recovered materials by disseminating technical information and conducting customized research for targeted recycling businesses. This assistance ranged from researching the recyclability of coated latex paper to the development and publication of specifications for the use of organic shingle scrap in roadway asphalt. Staff assisted 25 businesses by conducting onsite visits and meeting facilitation, by researching a variety of topics, and by actively referring businesses to other sources of technical assistance.

Financial Assistance

The RBAC funded 12 businesses through contracted assistance for engineering, research, testing, and business

services. Staff also assisted in preparing grant applications and locating other sources of funding.

Product and By-Product Marketing Assistance

The RBAC provided product and marketing assistance to nine companies, helping them with preliminary research, testing, and securing markets.

Promotion and Publicity

Staff promoted the RBAC program to targeted industries and worked to develop emerging and expanding recycling ventures in the state. They also developed and disseminated economic and environmental business profiles for recycling and reuse organizations.

CHALLENGES OVERCOME

The RBAC encountered and overcame the following obstacles:

- **Initial startup was difficult.** To overcome this challenge, the RBAC used the first 6 months to hire staff, hold training sessions, and get organized. The center staff also became familiar with potential goals and issues pertaining to Minnesota recycling markets, and targeted activities.
- **Getting the word out about RBAC services was difficult.** Making businesses aware of the RBAC was initially difficult, because it was a new idea for many businesses and partner agencies. To get the word out, the RBAC created a tip sheet listing a brief description of its available services. RBAC staff also conducted outreach, including meetings and presentations, to targeted industries and partners. This helped formalize the RBAC's identity.

- **Time and resources were limited.**

The RBAC had to conduct initial research and prioritize potential projects to maximize limited time and resources. Finally, the RBAC had to combat businesses' fear of getting involved with the government. To overcome this, staff used a strong outreach campaign to present the RBAC in a positive light.

LESSONS LEARNED

RBAC staff learned from their experience and provided the following advice to new grantees:

- **Spend the first few months on internal planning and getting the word out.** Prepare and distribute a fact sheet about the RBAC and its services. Make outreach a priority.
- **Target priority materials.** In targeting wood, plastics, and composites, the RBAC had a very defined scope of work. Once established, the RBAC expanded its focus to include miscellaneous materials.
- **Network! Active referrals are the key to success.** Make an effort to get business clients the information they need—not necessarily by conducting the research yourself, but rather by finding an expert in another organization who already has the information. Make onsite visits and establish a solid working relationship with the businesses you assist. Facilitate connections to resources and expertise by using staff networking abilities.
- **Focus on customer service.** Try to get businesses the information they need in a timely and effective manner. If you know a project has potential, you can do some of the legwork for it, but do not try to provide this

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level of assistance to every business. First, prioritize businesses by their level of potential or the level of assistance they need. Working from that list, provide the highest level of service appropriate to the specific needs of each business. Continue to increase the level of service you provide to organizations. Try to add new elements and increase your list of resources. Don't get bogged down with internal processes and evaluation.

- **Do not reinvent the wheel.** There is a wealth of technical information out there. The key is to learn how to locate that information without having to do all the research. Customize existing research to serve the needs of each business.
- **Do not dictate to businesses; work on their level as colleagues.** Working with businesses in a professional manner, instead of dictating to them, helps earn their respect. Visiting the companies demonstrates an added dedication to serving their needs and makes them more comfortable with the working relationship.

ACCOMPLISHMENTS

During the 1994–1995 grant period, the RBAC significantly expanded existing market development programs by targeting key industries, expanding cooperative activities among state agencies, and implementing a program to provide assistance to startup businesses in the recycling industry. By focusing efforts on wood fiber, plastics, and composites industries, the RBAC successfully expanded existing efforts. The center assisted more than 250 businesses, which led to the creation of more than 800 jobs in Minnesota.

The RBAC found the team approach most effective. Pooling the backgrounds of staff members and partner agencies provided the highest possible level of assistance to local businesses. The center focused on providing valuable customer service, and tried to integrate both waste prevention and recycling.

RBAC staff used innovative ideas, maintained a broad and interesting scope of work, and conducted projects with the help of a range of partner agencies and organizations. Staff members were pleased with the number of businesses provided with long- and short-term assistance.

PROGRAM FUTURE

In 1996, OEA was awarded another JTR grant of \$250,000. This money will be used to create a targeted market development program for glass, paint, and polyethylene terephthalate plastic. Activities will be coordinated within OEA's Business Environmental Resource Center (BERC) using methods and expertise developed through OEA's Market Development Program and RBAC.

RESULTS

Short-term Assistance and Referrals:	243 businesses assisted
In-Depth Assistance:	32 businesses assisted ¹
Business Management:	9 businesses assisted
Technical Assistance:	25 businesses assisted
Financial Assistance:	12 businesses assisted
Product and By-Product Marketing Assistance:	9 businesses assisted
Full-Time Equivalents Created ² :	806 jobs
Estimated Economic Activity Indicators ² :	
Total Wages and Salary Disbursements:	\$22,956,000
Increase in value added (contribution to gross state product):	\$48,270,500
Increase in Gross Economic Activity (Total Sales):	\$95,061,500

1. Some organizations received more than one type of assistance.

2. Forecasted state-wide economic impacts for proposed new manufacturing facilities using recycled materials using Regional Economic Modeling, Inc. (REMI) model.



Jobs Through Recycling *Success Stories*

"We never would have been able to afford the services provided by RBAC staff if they had been private consultants. Without their assistance, we would have had to close our doors."

LEONARD "LINDY" STOLTZ
President and CEO, Nature's Fire

Nature's Fire, a manufacturer of organic fire starting products made from recycled materials, received RBAC assistance just in time to prevent their operation from shutting down. With increasing sales opportunities, the company needed to expand their facility and increase production. The company did not, however, have the resources or technical knowledge to accomplish this expansion. The RBAC assisted Nature's Fire in the following ways:



- Researching alternative packaging options when Nature's Fire's only vendor of 100 percent recyclable and biodegradable packaging trays discontinued their product.
- Researching specifications and emissions guidelines to reduce testing costs. The RBAC discovered that slight modifications to the product labels could eliminate between \$108,500 and \$186,000 in emission testing fees.
- Assisting Nature's Fire in securing needed funding for a dehydrator to dry the volumes of wood residue necessary to make product and keep up with their incoming orders. The purchase of this piece of equipment allowed Nature's Fire to expand and meet the demands of its customers, while eliminating waste at the same time. The machine has the capacity to recycle 100,000 pounds per week of wood and other materials that would otherwise be landfilled.

With RBAC assistance, Nature's Fire obtained funding during the grant period from OEA. A total of \$82,500 was awarded by OEA over the course of the grant period for various testing and purchasing costs.

Not only did RBAC assist Nature's Fire in securing funding, they also indirectly helped secure markets through their effective referral service. Lindy Stoltz, President and Chief Executive Officer of Nature's Fire, began communications with an RBAC contact at the World Trade Center, which eventually enabled him to begin exporting his product to markets in Chile, Peru, Australia, and other countries. Currently, foreign exports make up 57 percent of Nature's Fire's sales.

Publications

- *Factsheet: Recycling/Reuse Business Assistance Center.* Explains the goals and objectives of the Minnesota RBAC and provides contact information.
- *A Business Guide to Recycling and Market Development.* Lists and describes sources of financial and technical assistance available to Minnesota businesses working with recyclable materials.
- *1996 RBAC Program Guide.* This "quick reference" guide contains all Minnesota RBAC program information through 1996, including information, strategies, how assistance is provided, projects and tracking, measures for results, economic modeling, and articles and publications on the RBAC.
- *Economic/Environmental Profile of Minnesota's Value-Added Recycling Manufacturing Industry.* Illustrates the economic and environmental value of Minnesota's recycling and reuse value-added processing and manufacturing businesses.
- *Project Summaries.* Outlines all projects undertaken by the RBAC during the funding period.